GOVERNMENT OF INDIA
INFORMATION AND BROADCASTING
LOK SABHA

UNSTARRED QUESTION NO:4172
ANSWERED ON:10.04.2003
SUGGESTIONS BY FICCI ON KPMG REPORT
GADDE RAMAMOHAN;KAILASH MEGHWAL;M.V.V.S MURTHI

Will the Minister of INFORMATION AND BROADCASTING be pleased to state:

(a) whether attention of the Government has been drawn to the FICCI-KPMG report released on March 14,2003 at Fames 2003;

(b) if so, the details of the report;

(c) the main points/suggestions given in the report; and

(d) the response of the Union Government thereon?

Answer

THE MINISTER OF STATE OF THE MINISTRY OF INFORMATION AND BROADCASTING (SHRI RAVI SHANKAR PRASAD)

(a) & (b) The FICCI- KPMG Report titled `The Indian entertainment sector − In the spotlight` has been received in this Ministry. FICCI has been requested to place a copy of the 93 page Report in the Parliament library.

(c) The main suggestions given in the report, in so far as these relate to the Ministry of Information and Broadcasting are broadly as follows:

? The Indian film industry needs to transcend from being a simple unorganised, creative pursuit to an organised business that encourages and nurtures creativity and makes commercial sense.

? The strengthening of the cable and satellite dominance and increasing focus on subscription revenues together with the Conditional Access System (CAS) Bill hold promise for the future growth for the Indian television industry. However, a lot depends on the degree of effectiveness of CAS implementation.

? In order to sustain a healthy growth, the music industry in India, which is still at a nascent stage, needs to revamp the way it operates, with support from the key players and also evolve new revenue streams to hedge risks. The corporatisation in the film industry is expected to have a catalytic effect on the music industry, which would move increasingly towards a revenue sharing model.

? The Indian radio industry has the potential for growth if private radio channels can compete on a level playing filed. The current licence fee structures, investment and programming restriction need to be benchmarked against global norms.

(d) Many of the suggestions are focussed on the industry for action. The Ministry of Information and Broadcasting has noted these points as industry inputs, which are taken into account when policy is formulated.